

BOARD OF DIRECTORS – ACTION SUMMARY
Wednesday, October 12, 2005 – 6:00 p.m.

Administration Building
2101 Hurley Way, Sacramento, CA

CALL TO ORDER

The meeting was called to order by President Granados. Board Members present: Duveneck, Engellenner, Goold, Granados, Jones, Kelly, Lawson, Trujillo, Valley. Staff: Fire Chief Martinez, General Counsel Price, Board Clerk Tilson.

PLEDGE TO FLAG led by the Girl Scouts of Tierra Del Oro, Troops 277, 319, 495 and 879.

METRO CABLE 14 ANNOUNCEMENT

The Meeting is videotaped for cablecast on Metro Cable 14. Replay on Thursday, October 13 at 10:00 p.m. and Saturday, October 15 at Noon on Channel 14; Webcast at www.sacmetroable.tv. A VHS copy is also available for checkout from any library branch.

RECOGNITION AWARDS—(Haverty)

1. FIRE CAMP SUPPORTERS

- Fire Chief Martinez provided a brief background history of Fire Camp which started approximately eight years ago providing young people a chance to experience the varied disciplines of today's fire service by participating in a one-week camp program.

He recognized Assistant Chief Dan Haverty for his vision and foresight on getting the program off the ground, along with Battalion Chief Geoff Miller for his participation.

- Assistant Chief Haverty stated the Program started with about 24 children and currently is up to 80 children and about 20 counselors, with 100 plus employees helping out during the course of the week.

- Battalion Chief Miller recognized the following organizations for their strong support of the Fire Camp Program, with plaque presentation by Fire Chief Martinez in appreciation of their contributions:

Roseville Golf and Sunsplash – Steve Rogers

Sacramento Coca-Cola Company – John Long – not present

Sacramento Metropolitan Firefighters Association – Tracey Valentine, President

Roseville Fire Department – Fire Chief Ken Wagner

PUBLIC OPPORTUNITY TO DISCUSS MATTERS OF PUBLIC INTEREST WITHIN DISTRICT JURISDICTION INCLUDING ITEMS ON OR NOT ON THE AGENDA

- Dick Crooks presented a brief background of the District history project. Working with Randy Wooton at the Pioneer Mutual Hook & Ladder, information was compiled resulting in the first Yearbook of Sacramento Metropolitan Fire District. This Yearbook and the history project could not have been done without the support of Fire Chief Martinez. As this chapter is being closed, he wished Fire Chief Martinez and his family the best in the future.

CONSENT AGENDA: None.

ACTION ITEM(S)

1. Fire Chief Employment Agreement – Don Mette—(Granados)

[Taken out of order after Closed Session]

- Chief Mette, General Counsel Price, and Board President Granados met last Monday to finalize the Employment Agreement.
- **Board Action:**
Kelly/Trujillo—approve the Fire Chief's Employment Agreement. Directors Engellenner, Duveneck, Gould, Granados, Jones, Kelly, Lawson, Trujillo, Valley, AYE. Motion carried.

2. Resolution No. 36-05 – Proposition 75—(Lawson)

- An election initiative is scheduled this November which others in the community including the Sacramento Board of Education deem unfair to public service employees.

Recommends the Board adopt the resolution supporting a no vote on Proposition 75.

- Director Duveneck voiced concern with the District supporting politics; Director Goold with the strong resolution language.
- Counsel Price stated the Board can act in a policy manner but cannot spend funds either way.
- **Board Action:**
Engellenner/Trujillo—adopt the Resolution. Directors Engellenner, Granados, Jones, Kelly, Lawson, Trujillo, Valley, AYE. Directors Duveneck and Goold, NO. Motion carried 7 - 2.
- Captain Pat Monahan, Vice President of Local 522, thanked the Board for their support of this Resolution.

3. Resolution No. 37-05 – Honoring Fire Chief Rick Martinez—(Mette)

- Fire Chief Mette read Resolution No. 37-05 into the record, bestowing the title of Fire Chief Emeritus on Rick Martinez for his contributions and dedication to the Sacramento Metropolitan Fire District and the regional Sacramento area communities.
- **Board Action:**
Engellenner/Goold—adopt the Resolution. Directors Engellenner, Duveneck, Goold, Granados, Jones, Kelly, Lawson, Trujillo, Valley, AYE. Motion carried.
- Fire Chief Martinez reflected on his 31 years of service. He felt honored to have the opportunity to serve with this organization for the last ten years and thanked the Board.

4. Purchase of 2005/2006 Liability Insurance Coverage—(Martinez)

- Annually, staff requests our broker, Alburger Basso DeGrosz (ABD), to solicit insurance coverage proposals.
- A single proposal was received as follows:

VFIS - \$464,520

Analysis of the proposal found only one significant difference in the coverage offered by VFIS this year that is different from last year's coverage. Under our 2004/05 policy, earthquake and flood coverage is limited to \$500,000 per location for building and contents, with a deductible of \$1,000. Under this year's proposal, both earthquake and flood coverage have been increased to the building and contents actual value with \$1,000 deductible for flood losses and a 5% of the building's value deductible under the earthquake provision.

- Staff recommends the Fire Chief be authorized to contract the District's liability insurance coverage for 2005/2006 through VFIS at the quoted rate of \$464,520.
- **Board Action:**
Valley/Engellenner—approve the staff recommendation. Directors Engellenner, Duveneck, Goold, Granados, Jones, Kelly, Lawson, Trujillo, Valley, AYE. Motion carried.

PRESENTATION ITEM (S)**1. Appoint Temporary Counsel—(Granados)**

- Counsel Price stated this is his last meeting but the last day on the payroll is October 31.
- President Granados suggested Kronick, Moskovitz for temporary counsel; Fire Chief Martinez concurred.
- Director Goold proposed a limit of 60 days as part of the direction to allow selection of in-house counsel when the new Fire Chief is on board since we already have applicants.
- Board President Granados stated he will be working with Chiefs Mette and Martinez on a schedule for the General Counsel interview process.

Fire Chief Martinez will contact Kronick and the Board President and two Chiefs will work together to identify an interim General Counsel.

2. Provisions and Requirements under GASB-45—(Appel)

- A two-page staff report was submitted with an attachment from Bartel and Associates on Revised Preliminary Results for the Retiree Healthcare Program.
- The Finance Committee was briefed September 14, 2005 on the GASB-45 requirements. At a minimum, the District must book its future unfunded healthcare liabilities for its Other Post Employment Benefits (OPEB).
- John Bartel stated GASB-45 requires that the retiree healthcare unfunded liability be recognized and disclosed, not prefunded, as personnel render service rather than on a pay-as-you-go basis.

Using the long-term expected return of 4%, the total Projected Value of all Projected Benefits (PVPB) today is approximately \$241.733 million with an unfunded portion of \$148.649 million. If it is prefunded with cash moved into a trust and investment earnings used to defray the cost, the unfunded liability assuming a 7% return would drop by approximately one-third to \$96.264 million.

The new standard will require the obligation be accrued as a percentage of payroll. Recommend a 20-year amortization but the Accounting Standard allows a 30-year amortization.

- Recommendation that staff be directed to follow the efforts of retirement systems (CalPERS and SCERS) in securing statutory authority to establish OPEB Trust Accounts, continue to work with Bartel and Associates in determining the District's current and projected OPEB UAAL obligations and explore potential funding options and other opportunities for reducing or leveling off future costs escalation.
- Deputy Chief Appel reported that a legal opinion was received this afternoon from Orrick Herrington & Sutcliffe, the District pension bond counsel, stating the District can sell bonds again to fund this mechanism if the Board desires.
- **Board Action:**
General consensus to direct staff to continue to work with Bartel and Associates as recommended.

3. Property Tax Sharing Agreement for McClellan Park—(Appel)

- The District currently provides life safety and structural fire protection services at McClellan Park under a contract with Sacramento County. The proposed property tax sharing agreement simply changes the mechanism for the District to recover its costs for providing those services. Additionally, if the District does not annex McClellan Park we could find ourselves providing those services through automatic or mutual aid requirements with no corresponding revenues.

Under this agreement, the District would provide the County with its annual operating costs for reimbursement through the property taxes generated. The County would pay any difference from its general fund.

- Staff recommends the final McClellan Park property tax sharing agreement be placed on the Board's agenda for the regular meeting of October 26, 2005, for adoption.

If approved, a Resolution of Application to annex McClellan will be brought back in November for consideration.

- **Board Action:**
General consensus to place the Agreement on the next agenda as an action item.
- Fire Chief Martinez acknowledged Deputy Chief Plessas, Deputy Chief Latta, Deputy Chief Appel, General Counsel Price, Finance Officers Assistant Chief Simcoe and Drew Houghton for their work on this project.

PRESIDENT'S REPORT—(Granados)

- Will work with the two Chiefs on the General Counsel selection process, but it is a good idea to have temporary counsel.
- Next May will start his 30th year in the fire service. During his tenure, the promotional process has been the most trying. Disappointed in the comments made in the press and emphasized that Don Mette is going to do great things. We all need to pull together and move forward in a positive direction.

FIRE CHIEF'S REPORT—(Martinez)

- He and Chief Mette have been spending a lot of time together to get work done with the combined checklist. Commended staff for their assistance.

Acknowledged General Counsel Price for making his job much easier.

- Swearing-in Ceremony and transfer of command will be held on October 28. Further details to be provided.
- Fire Chief Mette and he will be absent at the next Board meeting to attend a dinner meeting in the Bay area for the Metropolitan Fire Chiefs. Opportunity to introduce Fire Chief Mette.

Deputy Chief Wynn Latta will be the Acting Fire Chief.

- Attended a ceremony yesterday with Congress Member Matsui recognizing all the responders to Hurricane Katrina. For the record, he acknowledged Battalion Chief Geoff Miller who was not included but responded to the three consecutive hurricanes in the Gulf. It was entered into the Congressional record acknowledging both the Sacramento City Fire Department and the Sacramento Metropolitan Fire District for their commitment to the disaster response; copy to be provided to the Board.

GENERAL COUNSEL'S REPORT—(Price) None.**COMMITTEE AND DELEGATE REPORTS:****Executive Committee—(Granados)**

- Next Meeting: TBD

Communications Center Delegate—(Engellenner)

- Next Meeting: October 25, 2005 – 10:30 AM

California Fire & Rescue Training Authority—(Goold)

- Next meeting: TBD

Finance Committee—(Jones)

- Received presentation on today's meeting.
- Next meeting: November 9, 2005 – 5:00 p.m.

Policy Committee—(Trujillo)

- Next meeting: October 26, 2005 – 5:00 p.m.

BOARD MEMBER QUESTIONS AND COMMENTS:**Duveneck:**

- Expressed deep gratitude to Fire Chief Martinez, General Counsel Price, Deputy Chief Plessas, and Assistant Chief Hartley who are retiring, for their vision and hard work over the years.

Goold:

- Welcomed Fire Chief Mette.
- Thanked Golfland Sunsplash and others for their support.
- Suggested development of a shared Governance Model.
- Challenged Fire Chief Mette to spearhead the development of the Economic and Business Development Division.
- Thanked the Girl Scouts who honored us with the Pledge of Allegiance.

Engellenner:

- Thanked Fire Chief Martinez for an outstanding job, wishing him well in retirement.
- Welcomed Fire Chief Mette aboard.

Kelly:

- The Resolution honoring Fire Chief Martinez was well deserved.
- Wished Deputy Chief Plessas, General Counsel Price, and Assistant Chief Hartley an enjoyable retirement.
- Good discussion at the Finance Committee meeting on Economic Development. Need to find time even if we give up a Saturday to have a workshop.
- Looks forward to being a part of this new chapter in Sac Metro's book. As Board members, need to be more charitable to one another especially when talking to the newspapers. It never was his desire to dumb down the standards. Fire Chief Martinez recommended opening it up to a few more individuals that may not have the requirements that were in the first iteration of our skill sets document. It was something agreed upon by everybody sitting here. It's important to understand we selected a gentleman and he is going to do the job we need him to do.

Jones:

- The analogy of a book fits well and just got to the last page in the last chapter. It was a great book. Thanked Fire Chief Martinez for his service, leadership, and positive constructive attitude.
- Thanked Counsel Price for his time, effort, and commitment.
- Wished Deputy Chief Plessas good luck. His dedication and commitment to the District has been outstanding.
- Thanked Assistant Chief Hartley.

Trujillo:

- Thanked Chief Haverty and Project Manager Horel for their informative presentation at the Orangevale Community Center on October 4 relative to the new station on Greenback, with about 30 constituents present.
- Thanked Fire Chief Martinez for his years of leadership, and those that are retiring with him.
- Shares the same concerns as our Board President. He will not be available to the press anymore until they start printing the whole story. The dumb down process was disheartening. Fire Chief Mette deserves a much better chance. He comes on with the same management skills as our current Fire Chief who has done a great job and then worked for his degree.
- Wished Fire Chief Mette good luck.

Lawson:

- Thanked Fire Chief Martinez on behalf of the community and expressed pride on being a Board member under his leadership. Acknowledged Fire Chief Martinez and administration for making our community a safe environment to live in, unlike a cited example he visited.
- Thanked Counsel Price for his wisdom and wished Deputy Chief Plessas and Assistant Chief Hartley good luck.
- Congratulated all the candidates who stepped forward for the new Fire Chief position. It was a difficult challenge. The resumes were all impressive.
- Congratulated Don Mette on his selection as Fire Chief and looks forward to working with him.
- To his colleagues, Prop 75 was considered too strong but he felt the Resolution for Fire Chief Martinez was too weak. On behalf of his constituents, he thanked Fire Chief Martinez.

Valley:

- Since this is the last meeting for Fire Chief Martinez and Don Price, he wished them well. This is a page he did not want to turn but we will go to the next chapter and do a good job.
- Extended best wishes to Chief Plessas and Chief Hartley.

RECESS TO CLOSED SESSION 6:22 PM

[Taken out of Order before Action Item #1]

RECONVENE TO OPEN SESSION 6:38 PM

Report by Counsel Price:

CLOSED SESSION GOVERNMENT CODES:

1. LABOR NEGOTIATIONS

Pursuant to California Government Code Section 54957.6

District Negotiator: Board President Greg Granados

Unrepresented Employee: Fire Chief

The Board provided parameters for the new Fire Chief's contract. No action was taken.

The Contract is Action Item No. 1 on the agenda.

ADJOURNMENT – Meeting adjourned at 8:00 p.m.

Gregory A. Granados, President

Matt Kelly, Secretary

Charlotte Tilson, Clerk of the Board